November 30, 1999

MEMORANDUM FOR THE CHIEF OF NAVAL OPERATIONS
              COMMANDANT OF MARINE CORPS
              DEPARTMENT OF THE NAVY CHIEF INFORMATION
                  OFFICER

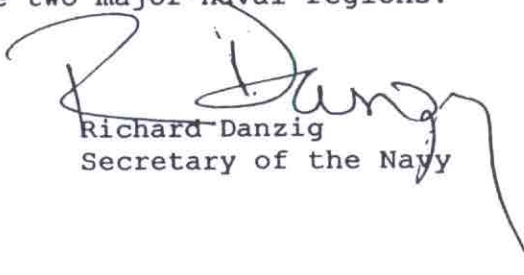SUBJ: DON SMART CARD BUSINESS PLAN FOR TWO MAJOR NAVAL
        REGIONS

Encl: (1) Smart Card Business Plan

In accordance with Section 373(e) of the National Defense Authorization Act for Fiscal Year (FY) 2000, enclosure (1) establishes our business plan to implement use of Smart Cards in the Mid-Atlantic and Southwest Regions starting in FY 2000. We will initially provide Smart Cards to our active and reserve military, civilian employees, and on-site support contractors in the Regions. As appropriate applications become available, we will expand the Smart Card implementation to military retirees and family members.

The Smart Card is a crucial asset for the Department of the Navy's Revolution in Business Affairs. Smart Card technology will help us to reengineer and streamline existing paper-based and labor-intensive business practices, resulting in mission enhancement, improved quality of life and cost savings.

Smart Card is also a key component of our Information Assurance Vision and will be our hardware token to support the Department of Defense (DoD) Common Access Card (CAC) and Public Key Infrastructure (PKI) strategies. Our vision is to use Smart Cards as our cyber-identification, personal identification, and physical access device.

I recognize and appreciate the Smart Card efforts in the Department to date and solicit your continued support and cooperation as we undertake implementation of the Department of the Navy (DON) Smart Card Business Plan for the two major naval regions.

Richard Danzig
Secretary of the Navy

Copy to:
CINCPACFLT
CINCLANTFLT
CNO(N1, N4, N6, N7)
CMC (C4I)

Background

Section 373 of the National Defense Authorization Act for Fiscal Year 2000 directs the Secretary of the Navy to establish a business plan to implement the use of Smart Cards in one major Naval region of the continental United States, that is in the area of operations of the United States Joint Forces Command and one major Naval region of the continental United States, that is in the area of operations of the United States Pacific Command. The regions selected shall include a major fleet concentration area.

Overview

For a number of years, DON has been actively implementing Smart Card technology in operational and training environments from Virginia to Hawaii. Since June 1998, every Navy recruit has used smart card technology in daily activities at the Recruit Training Center Great Lakes IL. Navy and Marine Corps personnel on the island of Oahu have Smart Cards for daily use with functional applications such as food service, and have used smart card to manifest for major military exercises across the Pacific Rim. In the spring of 1999, Smart Card technology was introduced to the George Washington and Kitty Hawk Carrier Battle Groups (CVBG), their associated Carrier Air Wings (CVW), the Saipan and Belleau Wood Amphibious Ready Groups (ARG), and their associated Marine Expeditionary Units (MEU).

As we move into the next millennium, we will continue to expand the use of Smart Cards to enhance missions, improve quality of life and reduce costs. We will leverage the lessons learned from our Smart Card deployment thus far, to move away from storing large amounts of data on the card and, instead, web-enable our existing databases to allow our military and civilian personnel access to applications around the world.
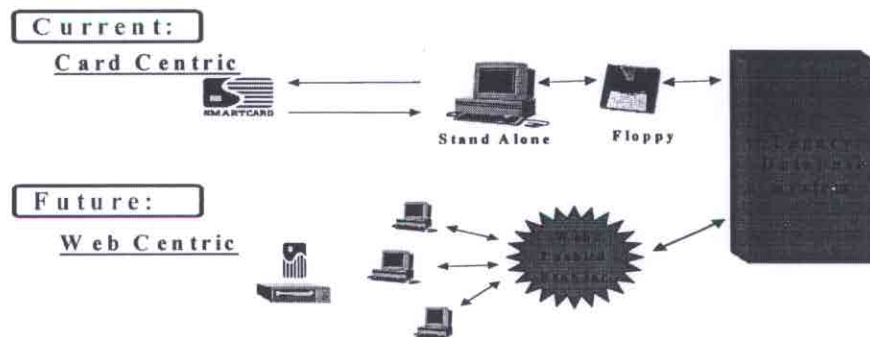
Smart Card is also a key component of our Information Assurance Vision and will be our hardware token to support the DOD Common Access Card (CAC) and Public Key Infrastructure (PKI) strategies. PKI will provide strong authentication, integrity and confidentiality of data.

Department of the Navy
FY 2000 National Defense Authorization Act, Section 373
Smart Card Business Plan

We will use our existing military ID card infrastructure, and augment as necessary, to provide Smart Cards with PKI digital certificates to all DON active duty, reserve, civilian and on-site contractor personnel. Our vision is to use Smart Cards as our cyber-identification, personal identification, and physical access device. As appropriate applications become available, we will expand the Smart Card population to include military retirees and family members.

The Smart Card is a crucial asset for our Revolution in Business Affairs. It is the combination of technologies on the card that makes it a powerful enabling tool to change and improve business practices by smoothly integrating into our current infrastructure. Smart Card technology will help us to reengineer and streamline existing paper-based and labor-intensive business practices. DON is working closely with the Office of the Secretary of Defense (OSD), the other Military Departments, Federal Agencies, and industry to ensure implementation of interoperable Smart Cards. We will leverage applications and lessons learned from these numerous efforts to continue to improve and expand Smart Card usage throughout our enterprise.

The following Business Plan describes the regions, applications, population, and schedule for implementing the use of Smart Cards in two major regions in the United States pursuant to Section 373 of the FY 2000 Defense Authorization Act.

Regions

Mid-Atlantic Region

The DON has selected the Mid-Atlantic Region and the major Fleet Concentration Area (FCA) of Hampton Roads, VA, for Smart Card implementation within the area of operations of the US Atlantic Command. The Mid-Atlantic Region includes the Navy and Marine Corps bases and units located in the states of Virginia, West Virginia, Maryland, Delaware and Pennsylvania (excluding those activities in the National Capital Region, which will be addressed in subsequent Smart Card implementation schedules). In addition, for purposes of this business plan, the Mid-Atlantic Region has been expanded to include Marine Corps Air Stations (MCAS) New River and Cherry Point, and Marine Corps Base (MCB) Camp LeJeune in North Carolina; and Marine Corps Recruit Depot (MCRD) Parris Island; and MCAS Beaufort in South Carolina. Personnel assigned to these bases deploy aboard ships homeported in Hampton Roads, thus ensuring an integrated implementation plan.

Southwest Region

In the area of operations of the US Pacific Command, the DON has selected the Southwest Region and the major Fleet Concentration Area of San Diego for smart card implementation. This includes the Navy and Marine Corps bases and units located in California, Arizona, and Nevada.

Applications

The regional implementations will include initial applications in the functional areas of Food Service, Personnel, Property, Readiness, Training and Supply. As cryptographic Smart Cards become available, Smart Cards with PKI digital certificates will be deployed throughout the regions.

The applications in the Food Service functional area improve the front-end identification and cashier transactions and the back-end accounting and reporting functions. They streamline the entire process; increase the accuracy of identification, eligibility and entitlement determination; reduce cash handling; reduce potential for fraud; and consolidate and automate accounting and reporting. The applications in the Personnel functional area include common access and identification; tracking to, from and within an operational area; access and information management for entry to ships and buildings; and electronic personnel-record transactions. They streamline the process, improve accuracy and enable reduction in paper-based transaction costs. The applications in the Property functional area focus on the issue and management of key equipment items including electronic tools, weapons, ammunition, and publications. They streamline the process, enable better correlation of qualification and authorization, and provide improved asset management capability. The applications in the Supply functional area include web-enabled requisitions of equipment and supplies, electronic pay, and "cash-less" transactions onboard ships. They streamline paper-based information systems, reduce cash handling, improve accuracy and reduce potential for loss and fraud. The applications in the Training functional area will enable training and qualification information to be shared and used by other functional areas. The applications in the Readiness functional area streamline data consolidation, readiness measurement and reporting.

Population Covered

The initial targeted population will be DON active duty, selected reserves, civil servants and on-site support contractors in the selected regions. It is estimated that approximately 270,000 cards will be issued in the Mid-Atlantic Region and approximately 250,000 cards will be issued in the Southwest Region. As additional applications are fielded over time, the targeted population will expand to include family members and military retirees.

Mid-Atlantic Region Implementation

Mid-Atlantic Implementation Ashore -- Navy

Issuance of Smart Cards and implementation of Smart Card technology in the Mid-Atlantic Region will initially be focused within the primary Fleet Concentration Area of Hampton Roads, VA, and will then expand to cover the other bases and facilities in the region.
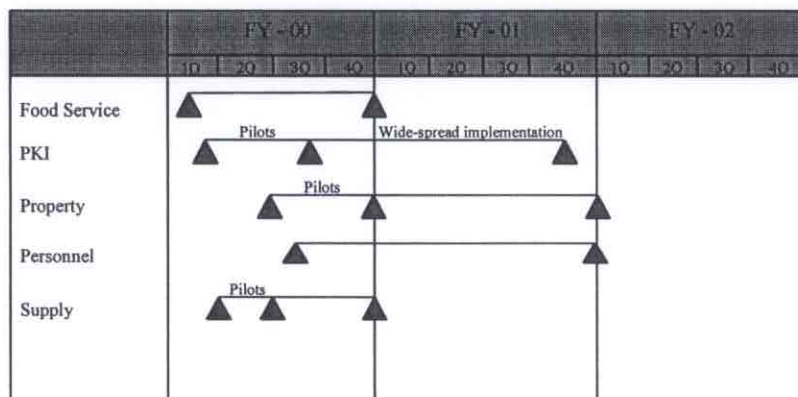
The issuance plan for the Smart Card implementation will use the existing Defense Eligibility and Enrollment Reporting System (DEERS) and Real-time Automated Personnel Identification
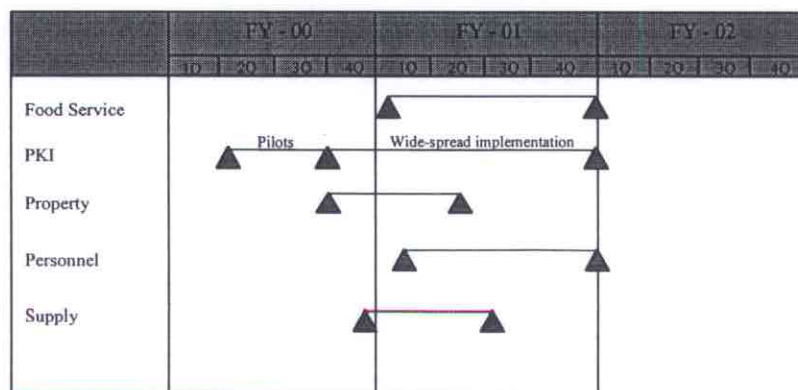
System (RAPIDS) Issuance infrastructure to the maximum extent possible. Mass Issuance will start in the second quarter of FY 2000 at key bases and facilities in the Hampton Roads area, and will then migrate to the other bases and facilities throughout the region. Sustainment issuance will be provided at each base Personnel Support Detachment (PSD) using the DEERS/RAPIDS issuance stations.

Implementation of the Food Service application within the FCA is ongoing and will be completed by the fourth quarter of FY 2000. Food Service will migrate to the other areas of the region, starting in the first quarter of FY 2001 and completing in the fourth quarter of FY 2001. The deployment of PKI digital certificates on Smart Cards will begin with pilot implementations during the first quarter of FY 2000 through the third quarter of FY 2000. Wide scale deployment will begin in the third quarter of FY 2000 and complete by the end of the fourth quarter FY 2001. The applications in the functional areas of Property, Personnel, and Supply will be implemented initially within the FCA and then migrate to the other areas in the region as depicted in the following tables. Improved versions and additional applications will be implemented, as they become available.

Mid-Atlantic Application Deployment in
Fleet Concentration Areas

Mid-Atlantic Application Deployment in
Remainder of Region

Mid-Atlantic Implementation Afloat -- Navy

Aircraft Carriers, and large deck amphibious ships (LHD/LHA) will be equipped with deployable issuance stations. Personnel assigned to afloat units will use both the afloat capability and the existing DEERS/RAPIDS Issuance infrastructure ashore.

Applications will be implemented on a sequential basis by Carrier Battle Group (CVBG), Carrier Air Wing (CVW), Amphibious Ready Group (ARG) and Marine Expeditionary Unit (MEU), and will be phased to support projected deployment schedules. The applications will include PKI and the functional areas of Food Service, Property, Personnel, and Supply. The following table provides the implementation schedule.

Mid-Atlantic Application Deployment
Afloat Units

	FY - 00				FY - 01				FY - 02			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Truman		▲		▲								
Nassau	▲			▲								
Enterprise			▲		▲							
Kearsarge			▲	▲								
Roosevelt					▲		▲					
Bataan					▲		▲					

## Mid-Atlantic Implementation -- United States Marine Corps

The United States Marine Corps (USMC) plans to use MCAS New River and MCRD Parris Island as process reengineering sites to initially introduce Smart Card technology. Once the applications have been successfully implemented, they will be introduced at other Marine Corps locations.

The Marine Corps intends to issue Smart Cards to all Assigned Operating Forces of II Marine Expeditionary Force (MEF) to coincide with each Marine Expeditionary Unit's (MEU) and Air Combat Element's (ACE) deployment schedule. This phased approach will ensure that the Marines deploying on Smart Card capable ships will have the same functionality as their Navy counterparts and will be interoperable with the Navy afloat Smart Card systems. Card issuance will be accomplished through a base-by-base issuance. The local personnel office will assume responsibilities for sustainment upon the completion of the mass issuance.

The initial applications at MCAS New River will be in the functional areas of Food Service, and Property. These are scheduled to begin in the second quarter of FY 2000. Additional applications will be implemented in the functional area of Personnel, and a pilot implementation (Warrior Readiness) will be conducted in the Readiness functional area. The schedule is depicted in the following table.

Mid-Atlantic Application Deployment
USMC
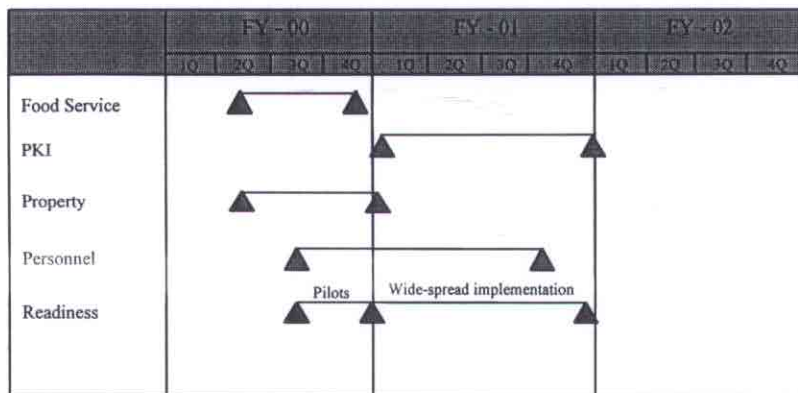
Southwest Region Implementation
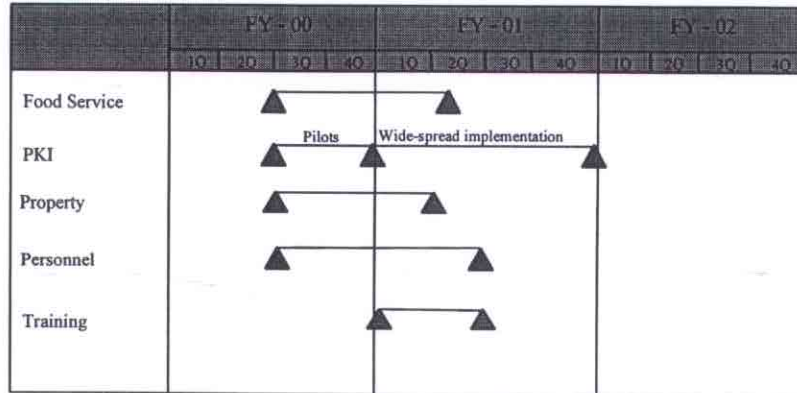
Southwest Implementation Ashore -- Navy

Issuance of Smart Cards and implementation of Smart Card technology in the Southwest Region will initially be focused within the primary Fleet Concentration Area of San Diego, CA and will then expand to cover the other bases and activities within the region.

The issuance plan for Smart Card implementation will use the DEERS/RAPIDS issuance infrastructure to the maximum extent possible. The issuance will start in third quarter of FY 2000 at key bases and facilities in the San Diego area, and will migrate to the other bases and facilities throughout the region. Sustainment issuance will be provided at each base PSD using the DEERS/RAPIDS issuance stations.
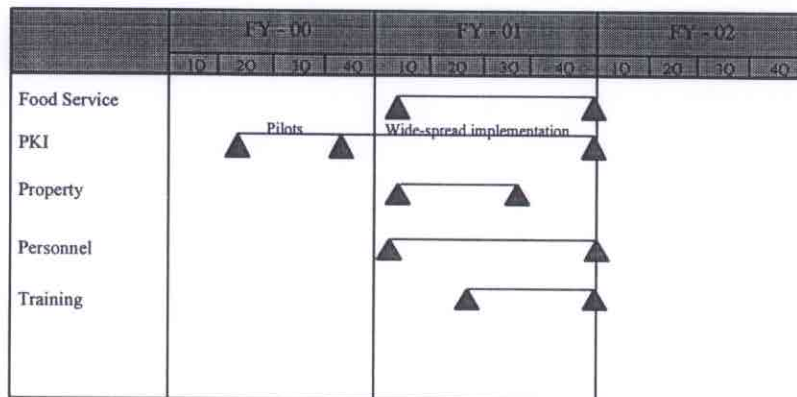
Implementation of the Food Service application will begin within the FCA during the third quarter of FY 2000 and be completed by the second quarter of FY 2001. Food Service will migrate to the other areas of the region, starting in the first quarter of FY 2001 and completing in fourth quarter of FY 2001. Wide scale deployment of PKI digital certificates on Smart Cards will begin in the third quarter of FY 2000 and complete by the end of the fourth quarter of FY 2001. Applications in the functional areas of Property, Personnel, and Training will be implemented initially within the FCA and then migrate to the other areas in the region as depicted in the following tables.

Southwest Application Deployment
Fleet Concentration Areas

	FY – 00				FY – 01				FY – 02			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Food Service												
PKI			Pilots		Wide-spread implementation							
Property												
Personnel												
Training												

Southwest Application Deployment
Remainder of Region

	FY – 00				FY – 01				FY – 02			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Food Service												
PKI			Pilots		Wide-spread implementation							
Property												
Personnel												
Training												

Southwest Implementation Afloat -- Navy

Aircraft Carriers and large deck amphibious ships (LHD/LHA) will be equipped with deployable issuance stations. Personnel assigned to afloat units will use both the afloat capability and the existing DEERS/RAPIDS issuance infrastructure ashore.

Applications will be implemented on a sequential basis by Carrier Battle Group (CVBG), Carrier Air Wing (CVW), Amphibious Ready Group (ARG) and Marine Expeditionary Unit (MEU), and will be phased to support projected deployment schedules. The applications will include PKI and the functional areas of Food Service, Property, Personnel, and Supply. The following table provides the scheduled implementation.

Southwest Application Deployment
Afloat Units

	FY - 00				FY - 01				FY - 02			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Constellation			▲	▲								
Stennis				▲	▲							
Pelelieu			▲	▲								
Essex				▲	▲							
Bonhomme Richard					▲	▲						

### Southwest Implementation -- United States Marine Corps

The Marine Corps intends to issue Smart Cards to all Assigned Operating Forces of I Marine Expeditionary Force (MEF) to coincide with each Marine Expeditionary Unit's (MEU) and Air Combat Element's (ACE) deployment schedule. This phased approach will ensure that the Marines deploying on Smart Card capable ships will have the same functionality as their Navy counterparts and will be interoperable with the Navy afloat Smart Card systems.

Card issuance will be accomplished through a base-by-base issuance. The local personnel office will assume responsibilities for sustainment upon the completion of the mass issuance.

The implementation plan for all Unassigned Operating Forces will follow the successful testing and validation of the Smart Card applications at Marine Corps Air Station New River and Marine Corps Recruit Depot Parris Island. This will include PKI and the functional areas of Food Service, Personnel, Property, and Readiness. Within the Personnel functional area, PKI will also be coordinated with a Total Force Administration System (TFAS) pilot. The schedule is depicted in the following table.

Southwest Application Deployment
USMC
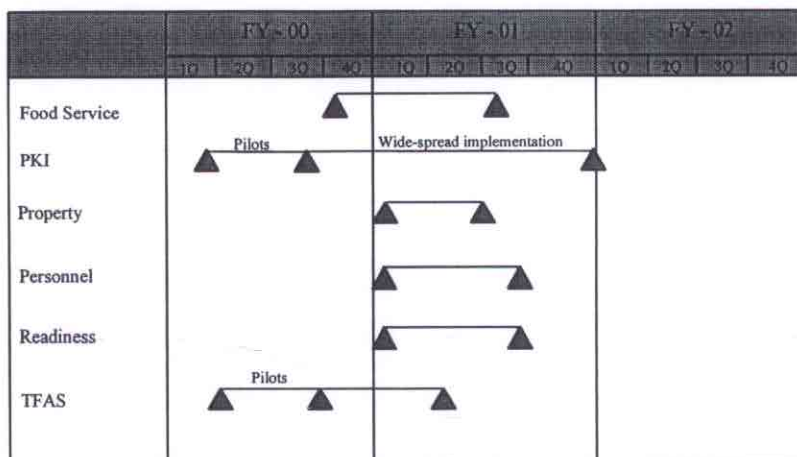
Conclusion

Department of the Navy will fulfill the requirements of the Section 373(e) of the National Defense Authorization Act for FY 2000 by implementing the use of Smart Cards in two major Naval Regions as outlined in this Business Plan.

We will continue to expand the use of Smart Card throughout the Department of the Navy in accordance with the Deputy Secretary of the Defense's direction to adopt Smart Card as the Common Access Card (CAC). The CAC shall be the standard ID card for military personnel (to include the Selected Reserve) and DoD civilian employees. It will also be the principal card used to enable physical access to buildings and controlled spaces and will be used to gain access to the DoD's computer networks and systems.